

MONTANA ASSOCIATION OF OIL, GAS & COAL COUNTIES INC.

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RESOLUTION TO TAKE THE FEDERAL MINERAL ROYALTY PAYMENTS OUT OF THE PRIOR YEAR PAYMENT CALCULATIONS.

WHEREAS, the Federal Mineral Leasing Act intended for States to share the mineral royalties with Counties, giving priority to those taxing jurisdictions for the impact and infrastructure needs incurred by the industry that pay the royalty.

WHEREAS, Federal Mineral Royalty Revenue is considered prior year payments in the current PILT formula; and

WHEREAS, Prior Year Payments connected to the PILT formula is a detriment to any economic development in which federal natural resources are extracted in that local governments jurisdiction; and

WHEREAS, The decision to extract natural resources owned by the federal government should be based only on the economic and scientific data available and not other programs such as PILT; and

WHEREAS, Local governments may not have increased non-tax revenue due to increased prior year payment because PILT is deducted proportionately; and

WHEREAS, Federal Mineral Royalty Revenue that is passed on from the states to counties is currently being deducted from their PILT payments as prior year payments; and

WHEREAS, PILT payments are payments in lieu of taxes on Federal lands, and

WHEREAS, the Federal Mineral Royalties are not only derived from minerals held under federal land, but under private land as well, and

WHEREAS, Counties should not be penalized when States share royalty revenue with them for offsetting the impacts of the industry

NOW THERE BE IT RESOLVED, the Montana Association of Oil, Gas & Coal Counties, Inc and the Montana Association of Counties encourage and support the de-coupling of Federal Mineral Royalty revenue payments from States to Counties when calculating PILT payments.

Adopted by the Montana Association of Oil, Gas & Coal Counties, Inc. on June 28th, 2006, in Lewistown, Montana at the Annual Convention by a unanimous vote.

Richard Dunbar, Phillips County Commissioner
President, Montana Association of Oil, Gas & Coal Counties Inc.